



UNITED STATES DEPARTMENT OF COMMERCE  
Patent and Trademark Office

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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. |
|-----------------|-------------|----------------------|---------------------|
|-----------------|-------------|----------------------|---------------------|

09/388,926 09/02/99 MA

H 08910

023820 TM02/1107  
ROYLANCE, ABRAMS, BERDO & GOODMAN, LLP  
1300 19TH STREET, NW  
SUITE 600  
WASHINGTON DC 20036-2680

EXAMINER

HEWITT II,C

ART UNIT  PAPER NUMBER

2161

DATE MAILED:

11/07/01

/D

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

|                              |                    |              |
|------------------------------|--------------------|--------------|
| <b>Office Action Summary</b> | Application No.    | Applicant(s) |
|                              | 09/388,926         | MA ET AL.    |
|                              | Examiner           | Art Unit     |
|                              | Calvin L Hewitt II | 2161         |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) Responsive to communication(s) filed on 02 September 1999.
- 2a) This action is FINAL.      2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) Claim(s) \_\_\_\_\_ is/are pending in the application.  
   4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-18 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 11) The proposed drawing correction filed on \_\_\_\_\_ is: a) approved b) disapproved by the Examiner.  
     If approved, corrected drawings are required in reply to this Office action.
- 12) The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
   a) All b) Some \* c) None of:  
     1. Certified copies of the priority documents have been received.  
     2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
     3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
     \* See the attached detailed Office action for a list of the certified copies not received.
- 14) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
   a)  The translation of the foreign language provisional application has been received.
- 15) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s). _____  |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                 | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) <u>4.7 and 9</u> . | 6) <input type="checkbox"/> Other: _____                                    |

***Status of Claims***

1. Claims 1-18 have been examined.

***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Payton, U.S. Patent No. 5,790,935 in view of Iwamura, U.S. Patent No. 6,272,535 and Park, U.S. Patent No. 5,757,909.

As per claims 1-18, Payton teaches a virtual on-demand digital information delivery system comprising:

- a receiver that receives an encrypted digital signal (audio, video or other) (column 1, lines 15-27 column 4, lines 55-67; column 5, lines 55-67)
- memory for storing an encrypted digital signal (column/line 2/64-3/9; column 6, lines 1-19)

- a recorder for recording onto a recording medium (column 6, lines 20-50; column 8, lines 11-25)
- a recording medium player (figure 5; column 6, lines 20-50; column 8, lines 11-25)
- plurality of recording mediums that record deciphered digital signals (column 6, lines 20-50)
- combined player and recorder (column 6, lines 20-50)
- decryption of encrypted signal (column 6, lines 1-20)

However, Payton does not teach payment cards. Iwamura teaches a user terminal for receiving digital content, where the terminal is associated with an accounting apparatus (figure 8). Iwamura also teaches an accounting apparatus that deducts value from a card (e.g. smart, pre-paid, credit, debit...etc.) that stores monetary credits (column 5, lines 24-30; column 6, lines 10-30), determines whether a card has sufficient value and allows a user to add value to the card in order to access data (column column/line 5/24-6/37). While Park teaches encryption keys and utilizes smart cards to decrypt digital signals transmitted to a user terminal (column 1, lines 5-26 and 44-55; column 2, lines 31-37; column/line 3/62-4/17; column 4/55-5/5; column 6, lines 29-67; column/line 7/65-8/16; column/line 9/64-10/15; column/line 11/53-12/10; column 13, lines 22-29). Therefore, it would have been obvious to combine the teachings

of Payton, Iwamura, and Park. Payton teaches user payment for downloaded digital items ('935, column 4, lines 64-67), therefore, it would have been obvious to pay for access using the smart card of Iwamura as he teaches an accounting apparatus using a card to pay for access to digital data (column 1, lines 5-17). Payton and Iwamura also teach that digital data should be encrypted to prevent illegal or unauthorized usage ('935, column 4, lines 60-67; '535, column/line 15/24-16/56). Hence, using smart cards to store encryption keys would lead to increased efficiency as it combines data security ('909, abstract) with a method for obtaining, or paying, for digital content.

### ***Conclusion***

4. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:
  - Owashi et al. teach an apparatus for receiving and reproducing digital signals
  - Lotspeich et al. teaches a system for encrypting broadcast programs

5. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Calvin Loyd Hewitt II whose telephone number is (703) 308-8057. The Examiner can normally be reached on Monday-Friday from 8:30 AM-5:00 PM.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, James P. Trammell, can be reached at (703) 305-9768.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks  
c/o Technology Center 2100  
Washington, D.C. 20231

or faxed to :

(703) 746-7239 (for formal communications intended for entry),

(703) 746-7238 (for after-final communications),

or:

(703) 746-7240 (for informal or draft communications, please label  
"PROPOSED" or "DRAFT")

Hand-delivered responses should be brought to Crystal Park II, 2121  
Crystal Drive, Arlington, VA, Sixth Floor (Receptionist).

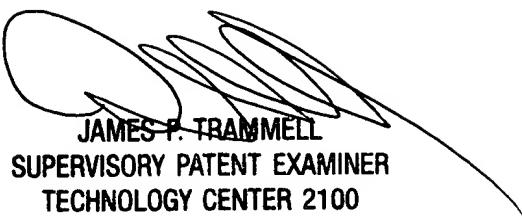
Any inquiry of a general nature or relating to the status of this application  
should be directed to the Group receptionist whose telephone number is (703)  
305-3900.

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Art Unit: 2161

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Calvin Loyd Hewitt II

November 2, 2001



JAMES P. TRAMMELL  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2100